

EXPORT ADMINISTRATION ACT AMENDMENTS

OCTOBER 2, 1974.—Ordered to be printed

Mr. PATMAN, from the Committee of Conference,
submitted the following

CONFERENCE REPORT

[To accompany S. 3792]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3792) to amend and extend the Export Administration Act of 1969, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Export Administration Amendments of 1974".

SHORT SUPPLY POLICY

SEC. 2. Section 3(2)(A) of the Export Administration Act of 1969 is amended by striking out "abnormal".

MONITORING AND CONSULTATION

SEC. 3. (a) Section 4 of the Export Administration Act of 1969 is amended by redesignating subsections (c) through (e) thereof as subsections (d) through (f), respectively, and by inserting after subsection (b) a new subsection (c) as follows:

"(c) (1) To effectuate the policy set forth in section 3(2)(A) of this Act, the Secretary of Commerce shall monitor exports, and contracts for exports, of any article, material, or supply (other than a commodity which is subject to the reporting requirements of section 812 of the Agricultural Act of 1970) when the volume of such ex-

ports in relation to domestic supply contributes, or may contribute, to an increase in domestic prices or a domestic shortage, and such price increase or shortage has, or may have, a serious adverse impact on the economy or any sector thereof. Information which the Secretary requires to be furnished in effecting such monitoring shall be confidential, except as provided in paragraph (2) of this subsection.

"(2) The results of such monitoring shall, to the extent practicable, be aggregated and included in weekly reports setting forth, with respect to each article, material, or supply monitored, actual and anticipated exports, the destination by country, and the domestic and worldwide price, supply, and demand. Such reports may be made monthly if the Secretary determines that there is insufficient information to justify weekly reports."

(b) Section 10 of such Act is amended—

(1) by inserting "(a)" after "Sec. 10."; and

(2) by adding at the end thereof the following:

"(b) (1) The quarterly report required for the first quarter of 1975 and every second report thereafter shall include summaries of the information contained in the reports required by section 4(c) (2) of this Act, together with an analysis by the Secretary of Commerce of (A) the impact on the economy and world trade of shortages or increased prices for articles, materials, or supplies subject to monitoring under this Act, (B) the worldwide supply of such articles, materials, and supplies, and (C) actions taken by other nations in response to such shortages or increased prices.

"(2) Each such quarterly report shall also contain an analysis by the Secretary of Commerce of (A) the impact on the economy and world trade of shortages or increased prices for commodities subject to the reporting requirements of section 812 of the Agricultural Act of 1970, (B) the worldwide supply of such commodities, and (C) actions being taken by other nations in response to such shortages or increased prices. The Secretary of Agriculture shall fully cooperate with the Secretary of Commerce in providing all information required by the Secretary of Commerce in making such analysis."

(c) Section 5(a) of such Act is amended—

(1) by striking out "hereunder" in the first sentence and inserting in lieu thereof the words "or monitored under this Act"; and

(2) by inserting immediately after such first sentence the following: "Such departments and agencies shall fully cooperate in rendering such advice and information."

(d) Section 5(a) of such Act is further amended by adding the following at the end thereof: "In addition, the Secretary of Commerce shall consult with the Federal Energy Administration to determine whether monitoring under section 4 of this Act is warranted with respect to exports of facilities, machinery, or equipment normally and principally used, or intended to be used, in the production, conversion, or transportation of fuels and energy (except nuclear energy), including but not limited to, drilling rigs, platforms, and equipment; petroleum refineries, natural gas processing, liquefaction, and gasification

plants; facilities for production of synthetic natural gas or synthetic crude oil; oil and gas pipelines, pumping stations, and associated equipment; and vessels for transporting oil, gas, coal, and other fuels."

INTERNATIONAL COOPERATION TO SECURE ACCESS TO SUPPLIES

SEC. 4. (a) Section 2 of the Export Administration Act of 1969 is amended by adding at the end thereof the following new paragraph:

"(5) Unreasonable restrictions on access to world supplies can cause worldwide political and economic instability, interfere with free international trade, and retard the growth and development of nations."

(b) Section 3(3) (A) of such Act is amended by striking out "with which the United States has defense treaty commitments".

(c) Section 3(5) of such Act is amended—

(1) by striking out the word "and" immediately preceding clause (B); and

(2) by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and (C) to foster international cooperation and the development of international rules and institutions to assure reasonable access to world supplies."

HIGH TECHNOLOGY EXPORTS

SEC. 5. (a) Section 4 of the Export Administration Act of 1969, as amended by section 3 of this Act, is amended by adding at the end thereof the following new subsection:

"(g) Any export license application required by the exercise of authority under this Act to effectuate the policies of section 3(1) (B) or 3(2) (C) shall be approved or disapproved not later than 90 days after its submission. If additional time is required, the Secretary of Commerce or other official exercising authority under this Act shall inform the applicant of the circumstances requiring such additional time and give an estimate of when his decision will be made."

(b) Section 5(c) (1) of such Act is amended by striking out the next to the last sentence thereof and inserting in lieu thereof the following: "Each such committee shall consist of representatives of United States industry and Government, including the Departments of Commerce, Defense, and State, and, when appropriate, other Government departments and agencies."

(c) Section 5(c) of such Act is amended by adding at the end thereof the following new paragraph:

"(5) To facilitate the work of the technical advisory committees, the Secretary of Commerce, in conjunction with other departments and agencies participating in the administration of this Act, shall disclose to each such committee adequate information, consistent with national security, pertaining to the reasons for the export controls which are in effect or contemplated for the grouping of articles, materials, and supplies with respect to which that committee furnishes advice."

(d) Not later than one year after the date of enactment of this Act, the Secretary of Commerce shall include in a quarterly report under

section 10 of the Export Administration Act of 1969 an accounting of actions taken to expedite the processing of export license applications as required under section 4(g) of the Export Administration Act of 1969.

OPPORTUNITY TO COMMENT ON LICENSING

SEC. 6. Section 5(b) of the Export Administration Act of 1969 is amended—

(1) by inserting “(1)” after “(b)”; and

(2) by adding at the end thereof the following:

“(2) Upon imposing quantitative restrictions on exports of any article, material, or supply to carry out the policy stated in section 3(2) (A) of this Act, the Secretary of Commerce shall include in his notice published in the Federal Register an invitation to all interested parties to submit written comments within fifteen days from the date of publication on the impact of such restrictions and the method of licensing used to implement them.”.

TECHNICAL AND CONFORMING CHANGES

SEC. 7. Section 4(d) of the Export Administration Act of 1969, as redesignated by section 3 of this Act, is amended to read as follows:

“(d) Nothing in this Act or the rules or regulations thereunder shall be construed to require authority or permission to export, except where required by the President to effect the policies set forth in section 3 of this Act.”.

HARDSHIP RELIEF

SEC. 8. The Export Administration Act of 1969 is amended by inserting after section 4 the following new section:

“PROCEDURES FOR HARDSHIP RELIEF FROM EXPORT CONTROLS

“SEC. 4A. (a) Any person who, in his domestic manufacturing process or other domestic business operation, utilizes a product produced abroad in whole or in part from a commodity historically obtained from the United States but which has been made subject to export controls, or any person who historically has exported such a commodity, may transmit a petition of hardship to the Secretary of Commerce requesting an exemption from such controls in order to alleviate any unique hardship resulting from the imposition of such controls. A petition under this section shall be in such form as the Secretary of Commerce shall prescribe and shall contain information demonstrating the need for the relief requested.

“(b) Not later than 30 days after receipt of any petition under subsection (a), the Secretary of Commerce shall transmit a written decision to the petitioner granting or denying the requested relief. Such decision shall contain a statement setting forth the Secretary's basis for the grant or denial. Any exemption granted may be subject to such conditions as the Secretary deems appropriate.

“(c) For purposes of this section, the Secretary's decision with respect to the grant or denial of relief from unique hardship resulting

directly or indirectly from the imposition of controls shall reflect the Secretary's consideration of such factors as—

"(1) Whether denial would cause a unique hardship to the applicant which can be alleviated only by granting an exception to the applicable regulations. In determining whether relief shall be granted, the Secretary will take into account:

"(A) ownership of material for which there is no practicable domestic market by virtue of the location or nature of the material;

"(B) potential serious financial loss to the applicant if not granted an exception;

"(C) inability to obtain, except through import, an item essential for domestic use which is produced abroad from the commodity under control;

"(D) the extent to which denial would conflict, to the particular detriment of the applicant, with other national policies including those reflected in any international agreement to which the United States is a party;

"(E) possible adverse effects on the economy (including unemployment) in any locality or region of the United States; and

"(F) other relevant factors, including the applicant's lack of an exporting history during any base period that may be established with respect to export quotas for the particular commodity.

"(2) The effect a finding in favor of the applicant would have on attainment of the basic objectives of the short supply control program.

In all cases, the desire to sell at higher prices and thereby obtain greater profits will not be considered as evidence of a unique hardship, nor will circumstances where the hardship is due to imprudent acts or failure to act on the part of the appellant."

INTERAGENCY REVIEW

SEC. 9. Section 4 of the Export Administration Act of 1969, as amended by sections 3 and 5 of this Act, is amended by adding at the end thereof the following new subsection:

"(h) (1) The Congress finds that the defense posture of the United States may be seriously compromised if the Nation's goods and technology are exported to a controlled country without an adequate and knowledgeable assessment being made to determine whether export of such goods and technology will significantly increase the military capability of such country. It is the purpose of this subsection to provide for such an assessment and to authorize the Secretary of Defense to review any proposed export of goods or technology to any such country and, whenever he determines that the export of such goods or technology will significantly increase the military capability of such country, to recommend to the President that such export be disapproved.

"(2) Notwithstanding any other provision of law, the Secretary of Defense shall determine, in consultation with the export control office to which licensing requests are made, the types and categories of transactions which should be reviewed by him to carry out the purpose of this subsection. Whenever a license or other authority is requested for the export of such goods or technology to any controlled country, the appropriate export control office or agency to whom such request is made shall notify the Secretary of Defense of such request, and such office may not issue any license or other authority pursuant to such request prior to the expiration of the period within which the President may disapprove such export. The Secretary of Defense shall carefully consider all notifications submitted to him pursuant to this subsection and, not later than 30 days after notification of the request shall—

"(A) recommend to the President that he disapprove any request for the export of any goods or technology to any controlled country if he determines that the export of such goods or technology will significantly increase the military capability of such country;

"(B) notify such office or agency that he will interpose no objection if appropriate conditions designed to achieve the purposes of this Act are imposed; or

"(C) indicate that he does not intend to interpose an objection to the export of such goods or technology.

If the President notifies such office or agency, within 30 days after receiving a recommendation from the Secretary, that he disapproves such export, no license or other authorization may be issued for the export of such goods or technology to such country.

"(3) Whenever the President exercises his authority under this subsection to modify or overrule a recommendation made by the Secretary of Defense pursuant to this section, the President shall submit to the Congress a statement indicating his decision together with the recommendation of the Secretary of Defense.

"(4) As used in this subsection—

"(A) the term 'goods or technology' means—

"(i) machinery, equipment, capital goods, or computer software; or

"(ii) any license or other arrangement for the use of any patent, trade secret, design, or plan with respect to any item described in clause (i);

"(B) the term 'export control office' means any office or agency of the United States Government whose approval or permission is required pursuant to existing law for the export of goods or technology; and

"(C) the term 'controlled country' means any Communist country as defined under section 620(f) of the Foreign Assistance Act of 1961."

EXPORT FEES AND LICENSES

Sec. 10. Section 4 of the Export Administration Act of 1969, as amended by sections 3, 5, and 9 of this Act, is amended by adding at the end thereof the following:

“(i) In imposing export controls to effectuate the policy stated in section 3(2)(A) of this Act, the President’s authority shall include but not be limited to, the imposition of export license fees.”

ECONOMIC POLICY ACTIONS

SEC. 11. Section 3 of the Export Administration Act of 1969 is amended by adding at the end thereof the following new paragraph:

“(7) It is the policy of the United States to use export controls, including license fees, to secure the removal by foreign countries of restrictions on access to supplies where such restrictions have or may have a serious domestic inflationary impact, have caused or may cause a serious domestic shortage, or have been imposed for purposes of influencing the foreign policy of the United States. In effecting this policy, the President shall make every reasonable effort to secure the removal or reduction of such restrictions, policies, or actions through international cooperation and agreement before resorting to the imposition of controls on the export of materials from the United States: Provided, That no action taken in fulfillment of the policy set forth in this paragraph shall apply to the export of medicine or medical supplies.”

ALLOCATION OF LICENSES

SEC. 12. Section 4(b)(1) of the Export Administration Act of 1969 is amended by adding at the end thereof the following: “In curtailing the exportation of any articles, materials, or supplies to effectuate the policy set forth in section 3(2)(A) of this Act, the President is authorized and directed to allocate a portion of export licenses on the basis of factors other than a prior history of exportation.”

EXPIRATION DATE

SEC. 13. Section 14 of the Export Administration Act of 1969 is amended by striking “September 30, 1974” and inserting in lieu thereof “September 30, 1976”.

PRESIDENTIAL REVIEW

SEC. 14. The President is directed to review all laws, regulations issued thereunder by the Atomic Energy Commission, the Department of Commerce, and other Government agencies, governing the export and re-export of materials, supplies, articles, technical data or other information relating to the design, fabrication, development, supply, repair or replacement of any nuclear facility or any part thereof, and to report within six months to the Congress on the adequacy of such regulations to prevent the proliferation of nuclear capability for non-

peaceful purposes. The President is also directed to review domestic and international nuclear safeguards and to report within six months to the Congress on the adequacy of such safeguards to prevent the proliferation, diversion or theft of all such nuclear materials and on efforts by the United States and other countries to strengthen international nuclear safeguards in anticipation of the Review Conference scheduled to be held in February 1975 pursuant to Article VIII, section 3 of the Treaty on the Non-Proliferation of Nuclear Weapons."

And the House agree to same.

WRIGHT PATMAN,
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PARREN MITCHELL,
FERNAND J. ST GERMAEN,
RICHARD HANNA,
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EDWARD W. BROOKE,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3792) to amend and extend the Export Administration Act of 1969 submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House struck out all of the Senate bill after the enacting clause and inserted a substitute amendment:

The Committee of Conference has agreed to a substitute for both the Senate bill and the House amendments. Except for clarifying, clerical, and conforming changes, the differences are noted below:

The House amendment did not contain a short title. The Senate bill contained a short title. The conferees agreed to accept the Senate short title.

The Senate bill contained a provision amending Section 3(2) (A) of the Export Administration Act of 1969 by striking the word "abnormal". There was no comparable provision in the House amendment. The conferees accepted the Senate provision.

In the past, one of the impediments to effective use of export controls has been the need to show that the foreign demand which produces an excessive drain of scarce materials and serious inflation is "abnormal." The term "abnormal" suggests the need to show, by reference to some earlier period, that the pattern or magnitude of foreign demand has changed significantly. However, determination of an appropriate reference point for assessing whether foreign demand is normal or abnormal is impossible to do with any degree of certainty, since trade patterns fluctuate. Moreover, in some situations, an excessive drain of scarce materials and serious inflation can result even if foreign demand levels have not changed significantly. This could occur when total supply declines for one reason or another. In that circumstance, even if foreign demand is at pre-existing levels, there can be an excessive drain of scarce materials and serious inflation.

It is the intent of the conferees that foreign demand need not be abnormal before export controls may be imposed. Instead, controls may be used when foreign demand results or will result in an excessive drain of scarce materials and serious inflation. However, as at present, foreign demand must be a significant factor in present or prospective inflation before controls may be imposed.

It is the intent of the conferees that export regulations implementing this policy reflect that foreign demand need not be the major cause of serious inflation in the price of a commodity as a condition to permit the use of export controls. It is sufficient that such demand be a

significant factor in causing inflation in the price. It is also the intent of the conferees that controls should be imposed to prevent an excessive drain of scarce materials from taking place and that controls need not be held in abeyance until such an excessive drain has actually occurred.

The authority to control exports in fulfillment of this policy should be implemented within the context of an international economic policy that places long-term priority on the maintenance of an open international trading system with a minimum of governmental interference.

Export controls, when required, should be imposed in a timely manner, with consideration of the impact of the controls upon sectors of the domestic economy and upon traditional foreign purchasers. Embargoes should be avoided except in extraordinary circumstances and quantitative limitations should be imposed sufficiently early to effectively cushion adverse effects on the domestic economy and at a level that would minimize the disruptive effects on historical supply relationships. To the extent feasible, the imposition of export limitations should be preceded by consultations with the principal importing countries affected by such limitations.

The Senate bill contained a provision directing the Secretary of Commerce to monitor exports and contracts for exports (other than for commodities subject to Section 812 of the Agricultural Act of 1970) when such exports contribute or may contribute to domestic price increases or shortages and such price increases or shortages have or may have a serious adverse impact on the domestic economy or any sector thereof. The provision further requires that the Secretary issue periodic reports indicating the results of such monitoring and analyzing the domestic and international impact of shortages and price increases. The provision further requires that the Secretary consult with the Federal Energy Administration to determine whether such monitoring is warranted for energy-related exports. There was no comparable provision in the House amendment. The conferees accepted the Senate provision with an amendment deleting the requirement that the Secretary of Commerce report his analysis of the probable duration of shortages or increased prices.

The Senate bill contained a provision which makes it national policy to foster international cooperation and the development of international rules and institutions to assure reasonable access to world supplies. The House amendment contained no comparable provision. The conferees accepted the Senate provision.

The Senate bill contained a provision requiring that export license applications required pursuant to national security policy provisions of the Export Administration Act be approved or disapproved within 90 days of their submission or, in the alternative, that the applicant be informed of the circumstances requiring additional processing time. The Senate provision further specifies that the Departments of Commerce, Defense, and State be represented on the technical advisory committees with respect to such exports. The provision further requires that such technical advisory committees be provided with adequate information, consistent with national security, to facilitate their work. The House amendment contained no comparable provision. The conferees accepted the Senate provision.

The Senate bill contained a provision requiring the Secretary of Commerce, upon imposing quantitative restrictions on exports pursuant to the policy stated in Section 3(2)(A) of the Export Administration Act, to publish in the Federal Register an invitation to all interested parties to submit written comments on the impact of such restrictions. There was no comparable provision in the House amendment. The conferees accepted the Senate provision.

The Senate bill provided for a petition procedure for hardship relief from export controls, together with certain criteria to be considered by the Secretary of Commerce in decisions with respect to the granting or denial of such relief. The House amendment contained no comparable provision. The conferees accepted the Senate provision.

The conferees recognize that export controls may in certain situations work a hardship on domestic manufacturers and their employees. For example, one domestic manufacturer, American Motors, stated that, as a result of export controls on scrap steel, its continued domestic production of a major consumer product has been endangered with potential dislocation of the economy and employment. A critical component of this manufacturer's final product is provided by its facility in Canada pursuant to the terms of the United States-Canada Automotive Products Agreement of 1965. This component, the engine block, is produced in part from scrap steel exported from the United States. Such scrap is presently subject to controls. Relief in the past has been unavailable to the manufacturer, and there has existed a threat that the manufacturer's American production lines would be closed as a consequence of the export control program.

It is the intent of the conferees that the Secretary consider relief in situations such as may be represented by a domestic manufacturer who produces or causes to be produced from materials exported to a foreign subsidiary, division or firm, a critical component of the product which it assembles or manufactures in the United States with domestic labor. Exemption from export controls is warranted in such a case because the domestic economy benefits through the uninterrupted and efficient production of the domestic product. In such instances, the exported commodity or material is returned for use in a domestic product and sold for use in the United States. Alternatively, it may be exported, with a value greater than the value of the component raw material otherwise restricted from export, thus contributing favorably to the balance of payments.

The Senate bill contained a provision authorizing and directing the Secretary of Defense to review proposed exports of goods or technology to certain countries to determine whether such exports will significantly increase the military capability of such countries and to recommend to the President that exports which would make such a significant increase be disapproved. The Senate provision authorized the President to overrule the Secretary provided that the President submits to the Congress a statement indicating his decision, together with the recommendation of the Secretary. The Senate provision specified that the Congress may disapprove the action of the President by concurrent resolution within 60 days of such a statement. The Senate provision further required that any modification of the COCOM international commodity control lists require agreement of

the President and that any such action be subject to disapproval by the Congress within 60 days of such agreement.

The House receded to the Senate provision with an amendment which eliminated references to modification of the COCOM lists and to Congressional disapproval and which specified that the Secretary of Defense determine, in consultation with the export control office to which licensing requests are made, the types and categories of transactions which should be reviewed.

The Senate bill contained a provision specifying that, in imposing export controls to effectuate the policy stated in Section 3(2)(A) of the Export Administration Act, the President's authority shall include, but not be limited to, the imposition of export license fees and the auction of export licenses. The House amendment contained no similar provision. The House receded to the Senate with an amendment which eliminated explicit reference to the auction of export licenses.

The Senate bill contained a provision requiring the Secretary of Commerce to establish regulations for the licensing of all police, law enforcement, or security equipment manufactured for use in surveillance, eavesdropping, crowd control, interrogations, or penal retribution. The provision required that any license for such exports be reviewed by the Attorney General and submitted to Congress with an opportunity for disapproval by resolution of either House within 60 days. The Senate provision further provided for exemption of individual countries and specific categories of equipment from the Congressional review and disapproval provision upon a finding by the Secretary of Commerce that exports of such equipment would not threaten fundamental human and civil liberties. The House amendment contained no comparable provision. The Senate conferees receded to the House.

The Senate bill contained a provision directing the President to review laws and regulations governing the export and re-export of nuclear materials and technology and the adequacy of domestic and international safeguards to prevent proliferation of such materials and technology and further required that the President report to the Congress within six months on the adequacy of such laws, regulations and safeguards. The House amendment contained no similar provision. The House receded to the Senate.

The Senate bill provided for an extension of the Export Administration Act of 1969 to June 30, 1977. The House amendment provided for an extension to September 30, 1976. The Senate receded to the House.

In granting this extension, the conferees intend and expect that the Department of Commerce will more fully comply with its responsibility to report to the Congress. The Export Administration Act requires that the President and the Congress be provided with a quarterly report of operations performed under the Act. Before 1973, the Office of Export Administration was responsible for preparing and publishing the report, but in 1973 control of the report was shifted to the Bureau of East-West Trade.

Placing responsibility for the report in the Bureau of East-West Trade produced a change in its subject matter. The report now focuses on the expansion of East-West Trade and relegates the subject of

export controls to one chapter. The primary emphasis of that chapter is on strategic export controls.

The report provides only a limited description of short supply export control actions and does not provide substantive analysis and assessment of the domestic and international impact of export control decisions. Moreover, quarterly reports have not been published in a timely manner and not within 45 days of the end of the calendar quarter, as specified in the Act. The conferees expect these situations to be promptly remedied.

The Senate bill contained a provision directing the Comptroller General to conduct a continuous review of the effectiveness of procedures of the Secretary of Commerce in administering export controls and further directing the Comptroller General to report to Congress when he determines that there is a domestic shortage of a commodity. The House amendment contained no similar provision. The Senate receded to the House.

The Senate bill contained a provision amending the Mineral Leasing Act of 1920 to prohibit the export of domestically produced crude oil transported by pipeline over federally-granted rights of way unless the President finds that such export will not, directly or indirectly, increase the price thereof to domestic petroleum purchasers. The House amendment contained no similar provision. The Senate receded to the House.

The Senate bill contained a provision requiring the Secretary of Agriculture, within 90 days after the beginning of a crop year, to determine which commodities subject to the reporting requirements of Section 812 of the Agricultural Act of 1970 are likely to be in short supply, and to submit, with the concurrence of the Secretary of Commerce, his findings to Congress together with a plan to cope with the anticipated shortage. The House amendment contained no similar provision. The Senate receded to the House.

The Senate bill contained a provision making it the policy of the United States to use export controls to secure removal by foreign nations of restrictions on access to supplies if such restrictions have or may have a serious impact on the economy or have been imposed for purposes of influencing U.S. foreign policy. The provision directs the President to make every reasonable effort to secure the removal or reduction of such restrictions through international cooperation and agreement before resorting to the imposition of retaliatory export controls. The provision further required that the President consult with the Tariff Commission and congressional committees before exercising his authority thereunder. The House amendment contained no similar provision. The House receded to the Senate with an amendment deleting reference to prior consultation with the Tariff Commission and congressional committees.

It is the intent of the conferees that the exercise of the authority conferred by this provision be implemented, whenever feasible, through international cooperation rather than unilateral action.

The House amendment contained a provision authorizing and directing the President to allocate a portion of export licenses on the basis of factors other than prior export history in effecting the policy set

forth in Section 3(2)(A) of the Export Administration Act. The Senate bill contained no similar provision. The Senate receded to the House.

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